

ADVANCING WASHINGTON'S INTEREST

BUSINESS AND FINANCE

LATEST NEWS OF FINANCIAL WORLD

Week's Market Close Sees Prices Higher

Continues on Upward Swing Despite Serious Industrial and Financial Problems Here and Abroad.

By W. S. COUSINS.

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NEW YORK, Aug. 26.—In the face of a succession of serious crisis both at home and abroad, the stock market showed no tendency to depart from the complacent aspect it has worn since the latest forward movement was inaugurated. In fact, wonder is frequently expressed that the failure of important agencies to bring the industrial crisis to a close and near collapse of an important European country, should not be more plainly reflected in the leading security markets of America.

On more than one occasion during the past week or so operators have attempted to reap benefit from the clouds that have been gathering in domestic and foreign trades and business, but without success. Occasionally they succeeded in sending prices of speculative stocks down a few points, only to suffer a rebuff by their quick recovery in subsequent trading. For another consecutive week the stock market closes with a higher average price level than the one preceding, and with a large number of the most prominent stocks at new high prices for the year.

New High Marks Made.
The steel stocks were naturally affected by the announced increases in prices of finished steel products, as well as for pig iron and steel billets. Present prices are about 25 per cent above those which prevailed in the first part of the year, though they are only about 10 per cent above war scale. Copper stocks have been advancing more on the theory that they have been behind the general market than by any actual accomplishments of the copper companies. Three of the largest companies, Chino, Ray and Nevada, today reporting a deficit for the three months ended June 30, 1922. Mexican oil benefited by the favorable settlement of the Mexican export tax, the Mexican government reducing that item about 50 per cent; tobacco, sugar, equipment and motor stocks reflected the high earnings rate of representative companies, some of which marked up their dividends; and the shipping stocks declined by reason of the unfavorable outlook in overseas trade.

Bond Market Quiet.
New financing through the medium of the investment market has practically come to a standstill, the week's total of new bonds being less than \$10,000,000, including only one industrial issue of \$600,000. Investment bankers have been put to desperate straits in order to supply the increasing demands of their customers and are said to be sending their scouts to all sections of the country in order to determine the exact situation. There are quite a few reasons for this development which, however, is not expected to be permanent. In the first place a number of important corporations have found it advantageous to finance themselves by means of new stock issues rather than appealing to the bond market; then, again, others are waiting for still more favorable conditions than prevail at the present time and are hopeful of securing accommodations at lower rates. Finally, the prevailing uncertainty of the question, and domestic municipalities have free run of the market.

Meanwhile, there is an unusually heavy demand for all grades of investment securities on the part of the market as also on the part of the important investment organizations. Prices of prime and second-grade bonds have steadily advanced during the past week, and trading has been unusually active for this period of the year. The General and public utilities have maintained the strength for which they have always been noted.

Low Money Rate.
Bankers who naturally keep in close touch with the money situation state that in their opinion borrowing rates will be low for a period of several months, and possibly into the new year. Next week the September settlement will have to be made, and this may cause a temporary flurry in the money market, affecting call money rather than the long term rates which are now at the lowest rate for the year.

In less than another week we shall have entered upon the last quarter of the calendar year, in many respects the most important business period of the year. It is in this period that representative business organizations make their best efforts to round out a prosperous and successful season, to clean up their tardy schedules, to cut down on expenses, and to surpass, if possible, the records of former years. As a rule the country goes into this period with a flying start, with handicap brushed aside, and all parties co-operating for the common good. Unfortunately, these conditions do not prevail this year, since two important industries are spending a great deal of their efforts in trying to pacify men who feel that they have a grievance and are unwilling to proceed with their duties until these grievances have been removed. The average business man, not knowing all the facts in the case, cannot take sides but can only commiserate the system which prevents him from conducting his own business in the manner he desires, and compels him to accept serious losses for reasons over which he has no control.

\$100,000 in Galax Bonds Sold to Roanoke Bank
GALAX, Va., Aug. 26.—The Mountain Trust Bank, of Roanoke, has purchased bonds to the amount of \$100,000 which Galax has voted to issue for certain improvements, paying therefor accrued interest to date of delivery and a certain premium. Of the issue, \$25,000 will be spent for waterworks and \$75,000 for street improvements. The bonds are to bear interest at the rate of 5 per cent, the issue being under the supervision of the General Assembly providing a new charter for the town of Galax, approved February 25, 1922. The bonds are to bear date of August 1, 1922, maturing August 1, 1925.

Washington Stock Market

Business of 1922 up to and including Friday, August 25:

Furnished by W. B. Hibbs & Co.

Sales	BONDS.	Open	High	Low	Close
3,200	Anacostia & Potomac River R. R. 5's	80	89 1/2	80	87 1/2
8,000	Chesapeake & Potomac Telephone 1st 5's	85	87 1/2	85	87 1/2
1,200	Chesapeake & Potomac Telephone of Va. 5's	81	81	80	82
270,000	Capital Traction 1st 5's	95	99	94	98 1/2
14,000	Cly & Suburban Ry. 1st 5's	78	83	78	82
2,500	Georgetown Gas Light 1st 5's	81	89	81	89
18,000	Metropolitan Railroad 1st 5's	94 1/2	97 1/2	94 1/2	97 1/2
22,000	Potomac Electric Power 1st 5's	91 1/2	96 1/2	91 1/2	96
145,000	Potomac Electric Power cons. 5's	89	97	89	95 1/2
92,000	Potomac Electric Power deb. 5's	89	100 1/2	89	99 1/2
245,400	Potomac Electric Power gen. 5's	98 1/2	100 1/2	98 1/2	100 1/2
130,100	Potomac Electric Power gen. mort. 7's	104 1/2	108 1/2	104 1/2	108 1/2
1,000	Wash., Alexandria & Mt. Vernon 5's (flat)	23	23	23	23
23,000	Washington, Baltimore & Annapolis 1st 5's	78 1/2	83 1/2	78 1/2	83 1/2
83,000	Washington Gas 7 1/2's	104 1/2	106 1/2	104 1/2	105
153,500	Washington Gas Light gen. 5's	88 1/2	95 1/2	88 1/2	94
285,500	Washington Railway & Electric cons. 4's	65 1/2	75 1/2	65 1/2	75
32,000	Washington Railway & Electric gen. 5's	95 1/2	99 1/2	95 1/2	99 1/2
10,000	Riggs Realty (short) 5's	95	95	92 1/2	92 1/2
1,000	Riggs Realty (short) 5's	98	98	98	98
100	Washington Market Cold Storage 5's	90	90	90	90
	STOCKS.				
	PUBLIC UTILITIES.				
10	American Tel. & Tel.	115 1/2	115 1/2	115 1/2	115 1/2
6	Capital Traction	95	103 1/2	94 1/2	103 1/2
3,267	Washington Gas	49 1/2	59 1/2	48 1/2	59 1/2
62	N. & W. Steamboat	190	200	190	200
5,665	Washington Railway & Electric com.	39	58	35	56
4,349	Washington Railway & Electric pfd.	64	80	63 1/2	74
	NATIONAL BANK.				
169	Commercial National Bank	130	147	130	147
28	District National Bank	168 1/2	170	168 1/2	170
64	Federal National Bank	171 1/2	176	171 1/2	176
4	Lincoln National Bank	190	190	190	190
54	National Bank of Washington	190	190	190	190
15	National Metropolitan Bank	225	230	225	230
5	Riggs National Bank	510	510	510	510
68	Second National Bank	148	150	145	150
	TRUST COMPANY.				
357	American Security & Trust	222	290	222	285
323	Continental Trust	98 1/2	98 1/2	98 1/2	98 1/2
156	National Savings & Trust	212	300	212	300
49	Union Trust	118	125 1/2	118	125 1/2
27	Washington Loan & Trust	270	285	270	285
	SAVINGS BANK.				
10	Merchants Bank	147	147	147	147
	FIRE INSURANCE.				
1	Fireman's Fire Insurance	18	18	18	18
46	National Union Fire Insurance	8 1/2	8 1/2	8 1/2	8 1/2
	TITLE INSURANCE.				
228	Columbia Title Insurance	5 1/2	5 1/2	5 1/2	5 1/2
36	Real Estate Title Insurance	90 1/2	105	90 1/2	105
	MISCELLANEOUS.				
10	District of Columbia Paper Mfg. pfd.	85	85	85	85
1,120	Mergenthaler Linotype	129 1/2	155 1/2	129 1/2	154 1/2
253	Old Dutch Market com.	8	8	8	8
215	Old Dutch Market pfd.	7 1/2	8	7 1/2	8
3,367	Lanston Monotype	7 1/2	8	7 1/2	8
150	Washington Market	35	35	35	35

FAVORABLE TRADE BALANCE FOR JAPAN

July First Month This Has Been Recorded Since October, 1920.

There are few signs of vital reaction in Japan, according to cable dispatches received at the Department of Commerce from Commercial Attache James F. Abbott, Tokyo. In July a large increase in Japanese exports was reported. Contrary to note issue was considerable. Depletion of the gold reserve continued. The cost of living increased, continuing the rise begun in June. The wage level rose somewhat. Imports and exports decreased in value, compared with those of June. Decrease in import values, however, was five times that of the export values, resulting in a favorable balance of 2,600,000 yen for July. This is the first favorable balance recorded since October, 1920. Speculators appear to have taken advantage of the more favorable business conditions, including the last three months to force up prices. More deep-seated causes of the present high prices may include high production costs, excessive tariffs, currency inflation, gold embargo though there was a temporary relaxation evident in June, government protection of industries.

Causes of high production costs included the relatively high freight rates in Japan, the increased wage and dismissal allowance demands by labor, the absence of quantity production on any extensive scale, and imperfect systems of distribution throughout the empire. The new ministry has announced a campaign to reduce living costs.

Total exports during July were valued at 144,800,000 yen (preliminary figures) and total imports at 142,200,000 yen. This resulted in a small favorable balance after twenty consecutive months' recording unfavorable balances. Exports of raw silk in July amounted to 31,000 bales, compared with 27,000 bales in June. The cotton industry in Japan finds it increasingly difficult to compete with the expanding cotton industry in China. Now that competition in the Chinese market has become sharp, Japanese merchants are somewhat cautious about buying raw cotton. Imports of raw cotton during July were valued at 21,780,000 yen, as compared with 24,300,000 yen during June.

French Lose Money on Sale of Army Stock
PARIS, Aug. 26.—American army stocks, bought by France in 1919, have been resold, according to newspaper accounts, at slight loss. The French government paid \$400,000,000 for the stocks and resold at about \$300,000,000, in addition to utilizing part of the goods for the French army. Payment to America for the goods is due August 1, 1922.

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New & Loss

Weekly Financial Review

By HENRY OLWES,
Of Henry Olwes & Co., New York Bankers.

NEW YORK, Aug. 26.—What seems to be a final termination of the rail strike negotiations, without successful result, has naturally been disappointing to the market, but this disappointment is somewhat qualified by the fact that the roads are steadily improving their personnel. Granting the co-operation of the Government in maintaining a steady movement of freight, it is reasonable to expect continuous improvement in operating efficiency, with the result that existing difficulties, both of coal and merchandise movement, will gradually be smoothed out. The postponement of a settlement in the anthracite field has naturally been disagreeable, but there appears good reason to think that in that branch of the negotiations also an early adjustment can be arrived at on some basis.

Support of Administration for Roads.

President Harding's promise of support on the part of Administration for the steady maintenance of transportation and for the recognition of the right of employees to work has furnished encouraging evidence of the friendliness of the Administration toward legitimate business. The effect of it has been to stimulate belief in the future of the rails as earners, in view of the immense volume of traffic now offering to them. Judged by every test, carloadings, tonnage and financial returns, most of the standard rails are now far ahead of last year. There is no reason why they should not maintain their dividends if they can be sustained in the maintenance of freight movement, without unwarranted expense in the fighting of an indefensible strike. Recognizing these facts in the case, the public has been more than ever inclined to purchase the rails during the past week, a fact which accounts for the very decisive advance in some of them. The announcement of a \$12,000,000 issue of 6 1/2 per cent preferred stock by Chesapeake and Ohio shows that the banking community is fully aware of the improved attitude of the buying public toward railroad securities. Except for this, and the issue made by Northwestern a few months ago, the railroad financing which has been conducted on a basis of stock issues has of late been extremely scanty. It will be a wholesome development if a reasonable amount of the new capital that is needed by the carriers can be raised through issues of stock rather than through the sale of bonds.

Bonus Again to the Front.

It is an unfortunate fact that just at the juncture when business is endeavoring to overcome the handicaps imposed by disturbed labor conditions, and at a time when the pending adoption of a new tariff bill will necessitate a very considerable amount of adjustment to new conditions, there should be a renewal of anxiety about a Federal bonus. Advocates of this legislation have resumed their effort to secure its adoption, and the possession of enough votes in the upper house of Congress to carry it to the statute book is scanty. It is a recognition of this fact that has had much to do with the maintenance of high prices. Discouragement over the continuance of the controversy has been natural, but has not exerted much practical effect. It has been significant that the industrial as a whole have given an even better account of themselves than the carriers. The advance, however, has been orderly, and the public has not taken up speculation on the large scale. Stocks are in strong hands. There can be no doubt that the outlook is lessening industrial output, iron and steel lines especially reporting that increases in fuel supplies are as yet negligible, and that production is slowing down. Complaints of retarded receipts of raw materials for manufacture come from some cities, as well as claims that shipments of finished products and of building material are being interfered with. Good reports as to fruit crop conditions in some States are balanced by claims that there is a scarcity of refrigerator cars to haul same to market.

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Business Irregular, Trade Review Shows

Conflicting Current in Prices, Trade, Industry and Crop Reports During Week, Says Bradstreet.

By Cosmopolitan News Service.

NEW YORK, Aug. 26.—Bradstreet's weekly business review today says:

"A degree of irregularity surpassing anything noted in recent months is visible in many lines of industry. The week has, in fact, seen many diverse and apparently conflicting currents in prices, trade, industry and crop reports, the while that a species of hesitation has ruled some lines, pending a clearer view of the more or less distant future. If any distinct feeling may be said to be manifest, it is that something like a fairly general movement toward higher costs of operation is visible, the limits of which are not clearly discernible.

"One of the outstanding features of the week was the issuance by union labor leaders of triumphant claims that the so-called deflation of labor costs had collapsed, set over against which were the views expressed by some trade experts that both foreign and domestic trade would be checked and the progress toward stability in trade halted by the restoration of the old 1920 costs of production. The passage of the tariff bill with the marked increase in duties consequent thereupon, and the introduction of the bonus bill in the Senate, were coincident with an increase of interest in the possible political results to flow from the fall elections, now only about two months away. Bearing on the advances in steel mill workers wages and the restoration of former wages announced by some New England textile mills, it is to be borne in mind that the great war and the restrictions on immigration since then are conceded to have lessened the old time stream of new labor supply from Europe, effects of which are now perhaps becoming visible.

Expect Higher Prices.
"Optimistic expressions as to the future, it may be noted, stress expected or predicted higher prices as in themselves offering a basis for more activity in trade and industry, and this only two years after the collapse of values at that time attributed to costs having reached unbearable heights. The stock market has continued to register confidence in present or higher prices for securities, ease of money here being a powerful factor, while the good outlook for most crops is also adduced as a stimulating factor, although the relatively low level of agricultural produce is conceded to be a brake on buying by the important farming interest.

"The same aspect of irregularity noted in the larger movements of the week seems to be visible in the reports from individual cities. Some large Eastern centers note that special efforts to attract buyers in recent weeks have been productive of a good volume of buying by jobbers, but this is tempered by reports that doubt that the outlook is lessening industrial output, iron and steel lines especially reporting that increases in fuel supplies are as yet negligible, and that production is slowing down. Complaints of retarded receipts of raw materials for manufacture come from some cities, as well as claims that shipments of finished products and of building material are being interfered with. Good reports as to fruit crop conditions in some States are balanced by claims that there is a scarcity of refrigerator cars to haul same to market."

The failure to settle the anthracite coal strike has developed into an acute situation which will shortly be realized. Heat must be afforded somehow and lacking coal—what then? Kerosene and similar oil by-products must be the solution and colossal earnings are consequently in sight for the big substantial companies.

Our specially prepared letter on the subject should prove exceptionally illuminating to purchasers of oil stocks.

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pfd.	8.00
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500 Overland Oil Corp.	2.50
500 Buffalo Texas Oil Co.	12.00
500 International Union Steel Corp.	25.00
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100 East Annapolis & Pot. pfd.	35.00
5 Departmental Bank	8.75

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50 Terminal Com'l & Savings Bank	25.00
200 Barker Bakeries pfd. 8% Dividend	85.00
100 United States Steel	20.00
700 Advance Oil Company	35.00
500 Buffalo Southwestern	85.00
200 International Union Steel Corp.	25.00
100 Deter Oil & Gas	8.00
10 W. W. Savage Factories, Units, 8% Dividend	8.00

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